



Control Number: 42984



Item Number: 28

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DOCKET NO. 42984

**APPLICATION OF CITY OF SAN
MARCOS AND CRYSTAL CLEAR
WATER SUPPLY CORPORATION FOR
SALE, TRANSFER, OR MERGER OF
FACILITIES AND TO AMEND A
CERTIFICATE OF CONVENIENCE
AND NECESSITY IN COMAL,
GUADALUPE, AND HAYS COUNTIES
(37672-S)**

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PUBLIC UTILITY COMMISSION

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**COMMISSION STAFF'S SECOND RESPONSE TO ORDER NO. 6 AND JOINT
REQUEST FOR EXTENSION**

COMES NOW Commission Staff (Staff) of the Public Utility Commission of Texas (Commission), Crystal Clear Water Supply Corporation (Crystal Clear WSC), and the City of San Marcos and files this Second Response to Order No. 6 and Joint Request for Extension and would show the following:

I. BACKGROUND

On July 26, 2013, Crystal Clear WSC and the City of San Marcos filed a sale, transfer, merger (STM) application with the Texas Commission on Environmental Quality (TCEQ) pursuant to TEX. WATER CODE ANN. § 13.301 and Title 16, TEX. ADMIN. CODE (16 TAC) §§ 24.109 and 24.112. On January 30, 2015, the Administrative Law Judge (ALJ) issued Order No. 4 requiring clarification of the applications and a recommendation on consolidation in Docket Nos. 42983 and 42984 by February 13, 2015. On February 13, 2015, Staff, along with Crystal Clear WSC and the City of San Marcos (Applicants) filed a Joint First Response to Order No. 4 and Unopposed Request for Extension of Deadline. On February 19, 2015, the ALJ issued Order No. 5 granting the requested extension and directing the parties to file their clarification and recommendation by April 14, 2015. On April 13, 2015, the Applicants filed a response to Order No. 4 clarifying the transaction, transfers, and amendments requested in this proceeding, submitting a signed and dated copy of the agreement of the Applicants, submitting revised notices, and requesting an extension of the one-year deadline in 16 TAC § 24.112(e) from June 5, 2015 until July 31, 2015. On April 24, 2015, Order No. 6 was issued requiring applicants to provide new notice and setting the deadline for Commission Staff to file a revised proposed notice of

approval by July 13, 2015, if the Commission received no request for hearing. This Response is timely filed.

II. JOINT REQUEST FOR EXTENSION

At this time, Staff has not received any requests for hearing, however, it has come to the attention of Staff that the Applicants have not filed: 1) closing documents indicating that the transaction has been completed, including an affidavit of closing; and 2) documents indicating that customer deposits have been transferred or refunded to the customer with interest. These are essential items required for the Commission to issue a final order approving the application and subsequent transaction, pursuant to 16 TAC § 24.109(g). Staff has contacted the Applicant and the Applicant is currently in the process of finalizing the transaction and preparing the required documents to be filed. Because the Applicants have been diligently working with Staff to process this matter and provide the necessary documentation, it is Staff's position that good cause exists to extend the 365-day deadline, pursuant to 16 TAC § 24.112(e). Therefore, Staff and the Applicants jointly request an extension be granted for its deadline of July 13, 2015 to provide a proposed notice of approval and that the 365-day deadline be extended to September 25, 2015. Accordingly, Staff recommends the following procedural schedule be adopted:

Deadline for the Applicant to File Bill of Sale and Information Regarding Disposition of Customer Deposits	August 13, 2015
Deadline for Staff to File a Final Recommendation on the Application	August 27, 2015
Deadline for Staff to File a Proposed Notice of Approval, Including Findings of Fact, Conclusions of Law, and Ordering Paragraphs	September 10, 2015 ¹
Extension of the 365-Day Deadline	September 25, 2015

¹ Staff and the Applicants jointly request an extension of the 365-day deadline found in 16 TAC § 24.112(e) in order to accommodate this schedule.

III. CONCLUSION

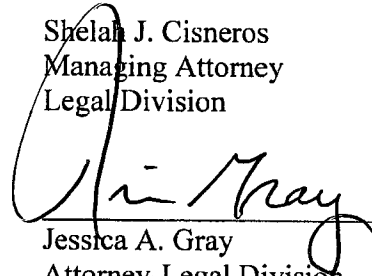
Staff respectfully recommends that an order be issued consistent with the above procedural schedule and that the ALJ grant the parties' requested extension of the 365-day deadline and the deadline to file a proposed notice of approval including findings of fact, conclusions of law, and ordering paragraphs.

DATE: July 13, 2015

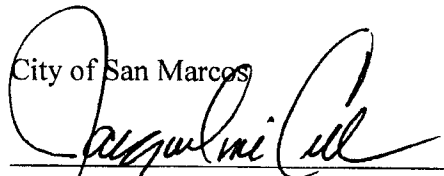
Respectfully Submitted,

Margaret Uhlig Pemberton
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Legal Division

Shelah J. Cisneros
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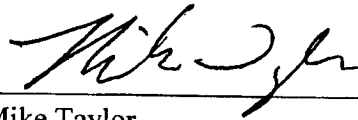
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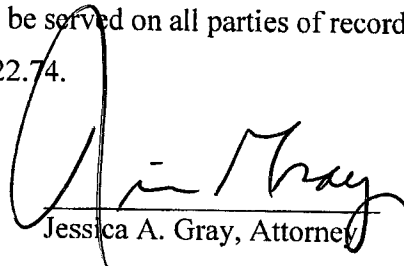


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CERTIFICATE OF SERVICE

I certify that a copy of this document will be served on all parties of record on this the 13th day of July, 2015 in accordance with 16 TAC § 22.74.



Jessica A. Gray, Attorney